

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE:

Hope Scharf Tengonciang and
Donald Poulin

CONSENT ORDER

03-005-COR-2

1 This Consent Order applies only to respondent Hope Scharf Tengonciang ("Tengonciang"), a Maryland resident whose current address is ~~1808~~ ^{8/08} Ritchie Highway, Unit # 104, Pasadena, MD 21122

2. ~~In 1998~~ and 1999, Tengonciang actively marketed ~~family~~ trusts through Lincoln Madison Alliance, LLC ("LMA") a South Carolina corporation of which Tengonciang was a director and officer, purportedly to avoid tax liability, and, through their trusts, to enter into due-on-demand promissory notes, with Tengonciang and Sunrise Ventures, a fictitious entity named as representing the "fund" in the notes.

3. In furtherance of the scheme set forth in paragraph 2 above, Tengonciang utilized the services of Donald Poulin ("Poulin"), a Maine resident, as her agent. At Tengonciang's direction, Poulin distributed information obtained from Tengonciang to his family members and acquaintances about the tax advantages of establishing family trusts. *(Tengonciang was not present during meetings Poulin had with family members)*

4. Tengonciang entered into a due-on-demand promissory note with Poulin's brother and sister-in-law, residents of Greenwood, Maine, for a total investment of \$50,000. The due-on-demand promissory note, signed by Tengonciang, promised a rate of return of 30% per month. Poulin's brother and sister-in-law have received back only \$1,666.67 of their investment, a restitution payment made by Poulin.

5. *Name?* Tengonciang entered into a due-on-demand promissory note with Poulin's cousin, a resident of Augusta, Maine, for a total investment of \$50,000. The due-on-demand promissory note, signed by Tengonciang, promised a rate of return of 30% per month. Tengonciang told Poulin's cousin that she would receive monthly reports showing the rate of growth of her investment, but Tengonciang did not provide the cousin with monthly reports. Poulin's cousin has received

back only \$25,833.33 of her investment, including a restitution payment of \$833.33 from Poulin.

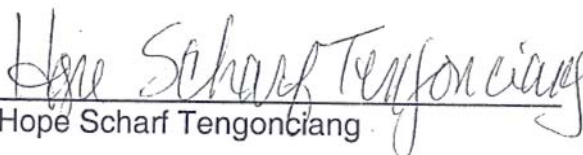
6. The promissory notes were securities as defined by 32 M.R.S.A. §10501(18)
7. At all relevant times, the promissory notes were not registered as securities with the Maine Office of Securities (the "Office") under the Revised Maine Securities Act, 32 M.R.S.A. §§ 10101-10713 (the "Act").
8. It is the Office's position that Tengonciang violated 32 M.R.S.A. §10401 by offering and selling unregistered securities in Maine.
9. At all relevant times, Tengonciang was not licensed as a sales representative in Maine.
10. It is the Office's position that Tengonciang violated 32 M.R.S.A. §10301 by transacting business in Maine as an unlicensed sales representative.
11. Pursuant to 32 M.R.S.A. §10201(3), in connection with the offer, sale or purchase of any security, a person shall not, directly or indirectly, engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.
12. It is the Office's position that Tengonciang has, in connection with the offer and sale of securities, engaged in a course of business operating as a fraud or deceit upon other persons in violation of 32 M.R.S.A. §10201(3).
13. Effective December 31, 2005, the Maine Uniform Securities Act, Title 32, Chapter 135 superseded the Act and governs conduct occurring after December 31, 2005.
14. The Office and Tengonciang desire an expeditious resolution of this matter.
15. The Office has agreed to the terms of this Consent Order based in part upon information provided by Tengonciang regarding her medical and financial condition. If this information is later determined by the Securities Administrator to have been materially inaccurate, the Securities Administrator may declare this Consent Order to be null and void. The Securities Administrator's determination of material inaccuracy shall not be subject to review.
16. Without trial or adjudication of any issue of fact or law, Tengonciang waives her right to a hearing and to judicial review and consents to the entry of this order.

NOW, THEREFORE, it is ORDERED that Tengonciang CEASE AND DESIST from violating the Maine Uniform Securities Act, including the prohibitions against

securities fraud, offering and selling unregistered securities, and transacting business an unlicensed sales representative in Maine.

It is further ORDERED that Tengonciang shall pay \$2,500 in restitution to Poulin's brother and sister-in-law and to his cousin. Tengonciang shall make the restitution payment by delivering a check, made payable to "Treasurer, State of Maine," to the Office by the date this order is executed. The Office shall distribute the funds by paying \$1,666.67 to Poulin's brother and sister-in-law and \$833.33 to his cousin.

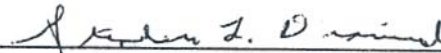
Tengonciang hereby waives her right to a hearing and to judicial review and consents to entry of the order set forth above.


Hope Scharf Tengonciang

Ordered by:

12/6/2006

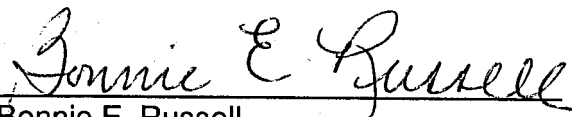
Acting


~~Michael J. Coleran~~ Stephen L. Diamond
Securities Administrator

Reviewed by:

Date:

2/5/2006


Bonnie E. Russell
Assistant Securities Administrator

Presented by:

12/5/06


Douglas F. Jennings

Staff Attorney